- The Bureau of Indian Standards Act, 1986;
- The Essential Commodities Act, 1955;
- The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980;
- The Forward Contract (Regulation) Act, 1952;
- The Emblems and Names (Prevention of Improper Use) Act, 1950;
- The Spirituous Preparation (Inter-State Trade and Commerce) Control Act, 1955.

No fund has been created under any of these Acts to promote the purpose and objects of the law.

(b) Does not arise.

M/s Mc Kinsey and Co. report on FCI

1086. SHRIMATI N. P. DURGA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that M/s Mc Kinsey and Co. has recommended that FCI should outsource its key operations like foodgrain procurement, handling, transportation and distribution as a part of its restructuring plan;

(b) whether it is also a fact that once the above operations are outsourced, FCI will be reduced for storage of buffer stocks for PDS;

(c) whether it will entail reduction of 8000 to 10000 staff if the report of the M/s Mc Kinsey and Co. is implemented;

(d) whether Government have studied the report;

(e) if so, the decision taken on the recommendations; and

(f) the details of other major recommendations made by the M/s Mc Kinsey and Co.?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH): (a) M/s Mc Kinsey and Co. in their Report has recommended several measures for improving the operational efficiency of the FCI, including, *inter alia*, outsourcing of some activities.

(b) No, Sir.

(c) The report suggests rationalization of staffing levels based on revised norms.

(d) and (e) Yes, Sir. The recommendations made are at various stages of implementation.

(f) The details of other major recommendations made by M/s Mc Kinsey and Co. are enclosed as statement.

Statement

Recommendations made by M/s Mc Kinsey and Co. in its report

- Adopting a multi-tiered debt structure and reducing working capital borrowings.
- Optimizing rail movement using a linear programme.
- Consolidating handling and road transportation contracts within regions and outsourcing to large logistic service providers.
- Purchasing consolidated ruquirement of gunny bags through open tender and reimbursing farmers/millers/arthias for supplying paddy in used gunnies.
- Procuring directly at FCI depots or rice mills in Punjab and Haryana.
- Renting excess capacity to third parties, i.e. private grain companies, logistic service providers.
- Appointing 3rd party agency to monitor stock moved by rail and to check transit losses.
- Reimbursing State agencies for stocks carried by them prior to actual delivery to the FCI.
- Revision of staffing norms and initiatives to increase staff productivity.
- Revising incentive norms, balancing labour capacity and retiring excess labour.
- Reducing obligatory expenses by having the market intermediaries perform additional tasks in the mandis.
- Reimbursement of procurement incidentals to State agencies to the bench market to the cost incurred by the FCI; linking custody and maintenance charges to quality of storage infrastructure, and building year to year cost reduction/efficiency improvement clauses in the supplier contracts/MoU with State agencies.

Wheat Stocks

1087. SHRI SANJAY RAUT: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that wheat prices will be raised further in the next